

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6026**

**BILL NUMBER:** HB 1009

**NOTE PREPARED:** Oct 1, 2012

**BILL AMENDED:**

**SUBJECT:** Professional Employer Organizations.

**FIRST AUTHOR:** Rep. Torr

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** This bill specifies that a professional employer organization (PEO) is not a successor employer for purposes of employer contributions to the unemployment compensation system.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:**

*Background Information:* PEOs provide various services related to human resources management, such as payroll processing, benefit management, and regulation compliance. PEOs often operate in a co-employment relationship with their clients, by including the clients' workers on their own payrolls (Source: Federal Reserve Bank of Chicago, 2008).

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Department of Workforce Development

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Stephanie Wells, 232-9866.

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